



Unified Enterprise Survey – Annual

2004 Survey of Service Industries: Real Estate Rental and Leasing and Property Management Industries

Si vous préférez recevoir ce document en français, veuillez nous téléphoner au numéro sans frais suivant : 1 888 881-3666

Reporting Guide

This guide is designed to provide additional information as you work through your questionnaire. If further assistance is required, please call us. A Statistics Canada employee will be happy to assist you.

Help Line: 1 888 881-3666



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Did you know?

The real estate rental and property management sector is a very dynamic industry, with total revenue of about \$42 billion dollars a year. There are more than 60,000 businesses listed in the Statistics Canada's Business Register as belonging to this industry.

Canada owes the success of its statistical system to a long-standing co-operation involving Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

The *Statistics Act*

The *Statistics Act* requires businesses and individuals to provide information needed to produce official statistics. Mandatory response is required for this business survey because the results are used directly or indirectly for programs that are legally mandated by Parliament. You can consult a copy of the *Statistics Act* on the Statistics Canada Web site (go to www.statcan.ca, and follow the links "About Statistics Canada", then "Protecting confidentiality and privacy").

Name and address

Please make sure the information pre-printed on the front page of this questionnaire is correct. If incorrect, please make the necessary changes in the corresponding boxes.

A - General Information

Survey Purpose

Statistics Canada requires information on this industry in order to measure its trends in areas such as employment, revenue and expenses as well as its contribution to the Canadian economy. In completing this questionnaire, you are helping to measure the country's economic production – the Gross Domestic Product (GDP). Businesses and governments depend on such information to make vital economic decisions. For example, the Bank of Canada uses the GDP to make decisions that influence interest and exchange rates, which in turn affect the cost of doing business.

This survey is part of the Unified Enterprise Survey (UES) program that incorporates several annual business surveys into a single framework using questionnaires with a consistent look, structure and content. Through the unified approach, firms operating in different industries provide similar information for each branch operation.

Benefits for you and your industry

Survey results allow **real estate developers and property managers** to:

- have current information about the size and characteristics of the industry
- compare themselves to the entire industry using survey information as a benchmark
- conduct market analysis
- determine the breakdown of industry costs, operating ratios, expenditures, revenues and sales
- better understand the importance of the industry to the Canadian economy

Data-sharing Agreements

To avoid duplicating surveys and to ensure more uniform statistics, Statistics Canada has entered into data-sharing agreements with provincial and territorial statistical agencies and with several government departments and agencies that also require your data. The objective is to share data from some surveys for those business establishments operating within their respective jurisdictions. **These agreements require that the shared data be used for statistical purposes and be kept confidential.** Survey participants are always informed at the time of collection if a data-sharing agreement applies to a particular survey.

There are two types of data-sharing agreements that exist under the *Statistics Act*:

Agreements under Section 11 of the *Statistics Act* allow the sharing of information from the Unified Enterprise Survey program with the statistical agencies of *Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta* and *British Columbia*. These statistical agencies have been established under provincial legislation authorizing them to collect this information on their own or jointly with Statistics Canada. Their legislation also provides the same confidentiality protection and outlines similar penalties for disclosure of confidential information as the federal *Statistics Act*.

Agreements under Section 12 of the *Statistics Act* allow the sharing of information from the Unified Enterprise Survey program with the statistical agencies of *Prince Edward Island, the Yukon, the Northwest Territories* and *Nunavut*. All these Section 12 agreements require that the information be kept strictly confidential.

Under Section 12, you may refuse to share your information with any of these agencies by writing a letter of objection to the Chief Statistician of Canada and returning it with your completed questionnaire. Please specify those agencies from which data shall be withheld.

Note regarding Section 12 agreements:

For business units in the manufacturing and forestry industries, Section 12 agreements also exist to share information with the following government departments and agencies:

Natural Resources Canada for all business units in the manufacturing industries.

The Newfoundland and Labrador Department of Natural Resources, the New Brunswick Department of Natural Resources and Energy, the Quebec Ministry of Natural Resources, the Ontario Ministry of

Northern Development and Mines, the Manitoba Department of Energy and Mines and the British Columbia Ministry of Energy, Mines and Petroleum Resources for business units in Non-Ferrous Metal (including Aluminum), Smelting and Refining, Clay Building Material and Refractory Manufacturing, Cement Manufacturing and Lime Manufacturing. In addition to allowing the use of the information for statistical purposes, the agreements with these agencies also allow them to use the information in accordance with the provisions of their governing legislation.

The Ontario Ministry of Natural Resources for business units in Logging, Sawmills (including Shingle and Shake Mills), Hardwood Veneer and Plywood Mills, Softwood Veneer and Plywood Mills, Wood Preservation, Particle Board and Fibreboard Mills, Waferboard Mills, Mechanical Pulp Mills, Chemical Pulp Mills, Paper (except Newsprint) Mills, Newsprint Mills and Paperboard Mills.

In cases where the information is reported on an amalgamated basis and relates to operations in more than one province or territory, Statistics Canada may allocate a portion of the reported information to those other operations. The allocated information will be shared in accordance with the Section 11 or 12 agreements of the *Statistics Act*, as described above.

In cases where there is a separate head office, Statistics Canada may adjust the reported revenues of that head office so that those revenues more fully reflect the value of the services the head office provides. In such cases, there will be a corresponding adjustment to the reported expenses of the units served. The adjusted information will be shared in accordance with the Section 11 or 12 agreements of the *Statistics Act*, as described above.

Please note that Statistics Canada does not share any individual survey information with Canada Customs and Revenue Agency.

For more information about these data-sharing agreements, please contact Statistics Canada at **1 888 881-3666**.

Confidentiality

Your answers are confidential. The *Statistics Act* ensures the confidentiality of information collected by Statistics Canada. All Statistics Canada employees take an oath of secrecy and face penalties for any breach of confidentiality. Information cannot be disclosed under the *Access to Information Act* or any other Act.

Statistics Canada only publishes data as statistical summaries, tables and graphs so no released information can identify any individual business.

Reporting Instructions

Note: Please provide information for **only** the business unit(s)¹ shown on the front page of the questionnaire. Some businesses may have divisions or units which operate in industries not covered by the survey (e.g., in construction, retail, manufacturing). If you cannot provide separate information for the specified business unit(s), please explain this in the **Comments** section at the end of the questionnaire.

A "business unit" is defined as the level of the firm for which there is a common set of activities and separate records are kept for such details as revenue, expenses and employment.

B - Main Business Activity

To ensure that you have received the appropriate questionnaire, you are asked to provide a brief description of the nature of your business activity for the reporting period you will be indicating under **Reporting Period Information**. The description should briefly state the main activities of your business unit.

Please select the **one** business activity that is the main source of your revenue.

North American Industry Classification System Description of the Real Estate Rental and Leasing and Property Management Industries

The categories to select from on the questionnaire use a coding system called the **North American Industry Classification System (NAICS)**. The NAICS system was developed by the statistical agencies of Canada, Mexico and the United States against the background of the North American Free Trade Agreement. It is designed to provide common definitions of the industrial structure of the three countries and a common statistical framework to facilitate the analysis of the three economies.

In order to help you select the category that best describes the activity of your business, here is a short description of each category.

Lessors of residential buildings and dwellings

Business units primarily engaged in renting and leasing **residential** buildings and dwellings, except social housing projects. They may operate (lease, administer and maintain) their properties on own account, or they may subcontract the operation to a third party, and they may provide additional services, such as security, maintenance, parking and snow and trash removal.

¹ A business unit is sometimes referred to as an establishment.

Lessors of non-residential buildings, except mini-warehouses

Business units primarily engaged in owning, or owning and operating, **non-residential** buildings such as shopping malls, offices, etc. They may operate (lease, administer and maintain) their properties on own account, or they may subcontract the operation to a third party, and they may provide additional services, such as security, maintenance, parking and snow and trash removal.

Self-storage mini-warehouses

Business units primarily engaged in renting or leasing space for self-storage. They provide secure space (rooms, compartments, lockers, containers or outdoor space) where clients can store and retrieve their goods.

Lessors of other real estate property

Business units primarily engaged in renting and leasing real estate other than buildings. (Agricultural property rental, Forest and land leasing, Industrial park developing and operating, Mobile home park operating, Lessors of railroad property).

Property managers, residential and non-residential properties

Business units primarily engaged in managing real estate properties on behalf of property owners (on a contract or fee basis). The work involves administrative and coordination activities, such as the negotiation and approval of lease agreements, the collection of rental payments, the administration of contracts for property services (e.g., cleaning, maintenance and security) and the preparation of accounting statements.

Exclusions from survey

Condominium associations

Associations or corporations of dwelling owners engaged in the management of properties on behalf of dues-paying members.

Social housing

Business units primarily engaged in renting and leasing residential buildings and dwellings provided to low-income earners. It is typically operated or funded by non-profit government entities, but they may also be operated by private, non-profit housing corporations. This represents at least 80% of your total rental income.

C - Reporting Period Information

The reporting period for this survey is the business unit's **fiscal year** ending between April 1, 2004 and March 31, 2005.

If this business did not operate for the full reporting period indicated at question 1, please indicate the reason by checking the appropriate box at question 2.

If the organization of this business has changed during the reporting period, please check the appropriate box at question 3.

Question 3 refers to "Business" units and not to "Building" units.

D - Joint Venture

Refers only to the business unit(s) shown on the front page of the questionnaire.

E - Renovations and Alterations

The definition of **Additions** is:

Structural extensions or additions to the property (such as rooms, decks, garages, carports, garden sheds, etc.), swimming pools, fences, patios, driveways and major landscaping.

The definition of **Renovations** is:

Work done that was intended to upgrade the property to acceptable building or living standards, rearrange the interior space, and modernize existing facilities in order to suit changing needs without changing the type of occupancy. Includes jobs such as remodeling rooms, adding or replacing doors and windows, renovating exterior walls, upgrading insulation and adding eavestroughing. Includes any finishing in new homes, and the cost of any equipment and built-in appliances that were part of the renovation project.

The definition of **Replacement** of equipment is:

Installation of equipment that replaces an existing unit. Includes upgrading to a superior quality of equipment and conversion from one type of unit to another (such as replacing an electric hot water heater with a gas-fuelled unit.)

The definition of **New** installations is:

The installation of equipment that did not previously exist on the property or that was installed in addition to the equipment on the property, e.g., installation of a shower stall in what had been a half-bathroom, security equipment, ceiling fan, light fixture, etc.

F - Number of Buildings and Units

1. Report the number of buildings and square feet you owned or operated at the end of the reporting period.
2. Report the number of units and square feet you owned or operated at the end of the reporting period.

G - Personnel

To fully measure the intellectual contribution of all human capital in this industry, we are asking for the statistics on the number of owners, partners and proprietors as well as the number and classification of employees.

1. **Full-time employees** are employees who worked the standard workweek within the business.
2. **Part-time employees** are employees who worked fewer hours than the standard workweek or who worked only for a given period during the year.
3. **Total number of paid employees**
Sum of amounts reported at questions 1 and 2. If no full-time/part-time breakdown is available, report the total number of paid employees here.

H - Revenue

Please **exclude** federal or provincial sales tax collected for remittance to a government agency.

1. **Residential, rental and leasing of residential dwellings**
Include apartments, single family homes and semi-detached or row houses.
2. **Non-residential, rental and leasing**
Include shopping centres, plazas, malls, stores, office buildings, factories, warehouses, recreational space, convention space in hotels, convention centres.
3. **Self storage warehouses, rental and leasing of mini-warehouse**
Include rooms, compartments, lockers, containers, and outdoor space.
4. **Other real estate property, rental and leasing of mobile home parks or land**
Include mobile home parks, industrial parks, land, and railroad property.
5. **Property management fees**
Include revenue generated by managing real estate properties on behalf of the property owners.
6. **Sales of other goods and services**
Include coin operated laundry services and parking.
7. **Other revenue**
If the total amount is relatively small (e.g., less than 5% of revenue) then do not separate the details and use only one line to report this amount. Otherwise, write the two largest single items not reported in previous questions in the spaces provided indicating what is included and place the balance not reported in the third line.
Include bad debt recoveries, operating subsidies and any other operating revenue not reported above.
8. **Total operating revenue**
Sum of amounts reported at questions 1 to 7.

9. **Investment and other income**
Include interest and dividend income, capital gains on sales of assets.

10. **Total revenue**
Sum of amounts reported at questions 8 and 9. If no breakdown is available, report your total revenue here.

I - Expenses

Please report expenses **excluding** the portion of federal or provincial sales tax refunded by government. If your bookkeeping practices make this impossible, please indicate which refunds are included.

1. **Total salaries and wages**
Include all salaries and wages **before deductions**, vacation pay, administrator's fees, bonuses, gratuities.
2. **Employer portion of employee benefits**
Include employers' contributions to health plans, insurance plans, employment insurance, pension contributions, workers' compensation, retiring allowances or lump sum payments to employees upon termination or retirement.
3. **Total labour remuneration**
Sum of amounts reported at questions 1 and 2. If no breakdown is available, report total labour remuneration here.
4. **Real estate property management fees paid to others**
Include expenses generated by hiring property management firm to manage owner's real estate property.
5. **Real estate commissions paid to others**
Include commissions paid to an agent or middleman for providing the service to the vendor or purchaser of bringing together the two parties to a transaction.
6. **Inducements to tenants (for the reporting period)**
Include leasehold improvements, interest on loans, free rent and paid moving expense. **Note:** Please only report the amount of expenses you capitalized during the reporting period.
7. **Utilities**
Include expenses on light, heat, power and water.
8. **Rental and leasing expenses**
Include office space or other real estate, motor vehicles, computers and peripherals, other machinery and equipment and other goods.

- 9. Repair and maintenance expenses of buildings and structures**
Include materials, parts, painting and wallpapering.
Exclude property management fees and labour.
- 10. Janitorial, cleaning, and snow removal service expenses**
Include materials and parts.
Exclude property management fees and labour.
- 11. Legal, accounting and auditing expenses**
Include expenses related to legal, accounting and auditing activities.
- 12. Other purchased professional and business services**
Include engineering, scientific and technical, consulting, advertising, land surveying, interior design and drafting.
- 13. Insurance premiums**
Include insurance coverage for liability, auto, building and equipment.
- 14. Property taxes**
Include taxes paid on vacant land and buildings.
- 15. Transfer taxes and lot levies**
Include expenses related to transfer taxes and lot levies.
- 16. Other provincial/territorial and municipal taxes**
Include licences, permits, business taxes and contributions to provincial health and education payroll taxes.
Exclude income taxes.
- 17. Amortization and depreciation of buildings and equipment**
Include amortization and depreciation of your own assets including capital lease obligations.
Note: Please report the current portion for this fiscal year.
- 18. Mortgage interest**
Include interest portion of the mortgage payments.
Exclude interest expenses related to bank loans.
- 19. Write-offs, valuation adjustments, losses on sales of capital assets**
- 20. All other expenses**
 If the total amount is relatively small (e.g., less than 5% of expenses) then do not separate the details and use only one line to report this amount. Otherwise, write the two largest single items not reported in previous questions in the spaces provided indicating what is included and

place the balance not reported in the third line. **Include** travel, meal, entertainment, telephone, office supply, cable and satellite television expenses, allowances for bad debts, donations, inventory adjustments, bank charges, credit and debit card commissions, Internet access charges, interest expenses related to bank loans.

21. Total expenses

Sum of amounts reported at questions 3 to 20.

J - Certification

If the person completing the questionnaire is not the same person listed on the pre-printed information on the front page, please provide the information requested on this page. This will allow Statistics Canada to contact the right person, should there be any questions about the information provided by this firm.

Please indicate the approximate time (in hours and minutes) to assemble the information and complete this questionnaire. If you had any major difficulties in completing this question, please describe the nature of these difficulties in the **Comments** section. This information will be very useful to assess response burden and to improve the questionnaire.

K - Comments

Your comments on our business survey program are most welcome. If necessary, please attach a separate page. Please be assured that all comments are reviewed with the intent of improving the survey. Some of the topics to consider are listed below:

- events that may have caused significant changes in your reported values from the previous year;
- questionnaire content;
- new questions of interest to your industry;
- questionnaire wording;
- use of business terminology;
- clarity of questions (e.g., definitions, examples of inclusions and exclusions, code sheets, instruction sheets, reporting guides);
- order and flow of questions;
- timing of receipt of questionnaire and the period given for response;
- other sources of data to further reduce response burden;
- potential for electronic data reporting;
- general (non-proprietary) business software packages in use.

Thank you for completing this questionnaire.

Please retain a copy for your records.

Should there be any questions about the information provided, a representative from Statistics Canada may call you. Retaining a copy of this completed questionnaire for your records will help minimize the amount of time spent on the phone.

Thank you

We hope this guide was helpful to you in completing the survey as well as providing some information about Statistics Canada. If you have suggestions on ways to improve this guide, please write your ideas in the **Comments** section of the questionnaire.

Visit the Statistics Canada's Web site at www.statcan.ca

Check out some of the most informative pages:

- **The Daily** (The latest Statistics Canada information available daily)
- **Canadian Statistics** (Over 350 statistical tables on a wide array of economic and social topics)
- **Information for survey participants** (Information on household and business surveys conducted by Statistics Canada)
- **Community Profiles** (Access the most recent 2001 Census results in the 2001 **Community Profiles** for cities, towns, villages, aboriginal communities, counties and metropolitan areas in Canada)
- **Census** (Results from the 2001 Census)
- **Learning Resources** (Programs and products for students and teachers)

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